

EXHIBIT 194

PRIVILEGED & CONFIDENTIAL



Corporate Security Investigation Report

Alleged Fraud in the Toms River POD

May 8, 2008

**BPO CASE 71-2007
BPO CASE 581-2007
Global Case No. 07-112**

Distribution:

**Ross Volk-VP Corporate Security
Andrew Jackson-Deputy Global Head**

**Investigation conducted by:
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1. Background

Date Assigned by BPO: BPO 71-2007 January 30, 2007
BPO 581-2007 September 17, 2007

This case was originally assigned BPO # 71-2007 on January 30, 2007. The caller, [REDACTED], a Novartis sales representative from the Toms River area, alleged misconduct on the part of numerous sales representatives in the territory as well as fraud practices perpetuated by numerous physicians under the guise of "Speaker Programs". [REDACTED], forwarded the information to her manager for review as well as the security department through an alert line call.

A second BPO case, 581-2007 was assigned on September 14, 2007, which alleged further impropriety on the part of another Novartis representative, [REDACTED] in the Atlantic City territory. The caller also identified representatives [REDACTED] and [REDACTED] who had been previously identified by [REDACTED] in the initial call. This call was made anonymously through the Ethics and Compliance Hotline of Chiron Corporation.

2. Executive Summary

This case, alleges the impropriety of numerous Novartis Sales Representatives in the Toms River territory. The territory in question is identified as the Toms River POD area, and is serviced by ten sales representatives. These representatives primarily detail the drugs Exforge, Tekturna, Diovan, Reclast, and Exelon Patch. The original complainant of this investigation, [REDACTED], a Novartis sales representative from the Toms River area, contacted the Alert Line with numerous allegations involving counterparts in collusion with the physicians who are trained speakers for Novartis. [REDACTED] indicated that the representatives set up fraudulent "Dinner Speaker Programs", with little or no speaking, and then paid the health care professionals (HCP) the honorarium.

During the initial investigative stages of this case, a second call was made to the Alert Line which alleged further misconduct on the part of Sales Representative [REDACTED] out of Atlantic City who was not originally identified in the first Alert Line report, but involved some of the same physicians identified in the original allegations.

An analysis was conducted of the paperwork submitted by the Toms River POD. Specific programs scheduled through AHM were identified as possibly being fraudulent, based on the investigative information uncovered. As a result, members of Novartis Corporate Security covertly attended four Speaker Programs in which fraudulent activity was witnessed. Afterwards, the submitted paperwork such as AHM reports, venue, attendees, dinners served, restaurant receipts, and honorarium checks were reviewed. After the review, numerous discrepancies were uncovered such as physicians added, physicians being paid who were not in attendance, and restaurant receipts manipulated by the host

representatives. An investigation into the allegations determined that not only were speaker programs being abused by the representatives, but several of the physicians that were suppose to speak, did very little speaking. In some cases, the physicians never showed up for the program, but were still paid an honorarium. Additionally, several programs were found to contain information that was deliberately falsified or changed in order to meet the required Novartis guidelines. Lastly, several of the representatives lied during the interview process of the investigation, and or admitted to document fraud on the reports. **Please refer to the attached addendum for individual interview summaries on pages 36 - 42.**

As a result of this investigation, multiple sales representatives in the Toms River territory were identified in a conspiracy to commit fraud with certain health care professionals in the territory. To date, Executive Sales Consultant [REDACTED], and Senior Sales Consultant [REDACTED], have both resigned from their respective positions with the company. Senior Sales Consultant [REDACTED], and Senior Sales Consultant [REDACTED], have both applied for Short-Term Disability (STD). It appears that this type of misconduct has been ongoing in this territory for years, but it is important to note that there were sales representatives identified in this investigation that did not partake in this type of misconduct.

Recommendations:

- District Managers must review and approve speaker programs submitted and finalized into AHM.
- District Managers should conduct random unannounced audits to ensure that all representatives are adhering to NPC guidelines and procedures.
- This investigation should be used as a case study for future compliance training of sales representatives in the field.
- AHM should not accept restaurant bills that are not itemized, and programs should be closed out within a two day timeframe.
- AHM should not accept program closeouts without the necessary documentation i.e. sign in sheets, itemized receipts, as well as the representative closeout surveys.

3. Details of Investigation

Persons Interviewed

[REDACTED], Geigy Sales Force
 [REDACTED], Novartis Sales Force
 [REDACTED], Ciba Sales Force
 [REDACTED], Geigy Sales Force
 [REDACTED], N2 Sales Force
 [REDACTED], N3 Sales Force
 [REDACTED], N4 Sales Force

[REDACTED] SM1 Sales Force
 [REDACTED], N7 Sales Force
 [REDACTED], N4 Sales Force
 [REDACTED], N4-N5 Sales Force
 DM [REDACTED]
 DM I [REDACTED]
 DM I [REDACTED]
 DM II [REDACTED]

Former Associate Director [REDACTED] received a telephone call from District Manager [REDACTED] regarding one of her direct reports, who wanted to report suspected unethical behavior which could be in violation of Novartis policy and guidelines. [REDACTED] identified the source as Senior Sales Consultant [REDACTED] #111062. [REDACTED] made arrangements to meet [REDACTED] and [REDACTED] on January 31, 2007.

[REDACTED] and Director [REDACTED] met with District Manager [REDACTED] and Senior Sales Consultant [REDACTED]. [REDACTED] explained that she had been a Sales Representative for Novartis from 2001 to 2004, in the Senior Care division in northern New Jersey. [REDACTED] said she left the work force in 2004, however returned to Novartis in October 2006, to resume her career. [REDACTED] was transferred to the Toms River territory of the N7 Sales Division. [REDACTED] also explained that prior to her experience with Novartis, she worked in sales with the Park Davis division of Pfizer from 1992 to 2001. **Note: On September 26, 2007, Associate Director [REDACTED] and Manager [REDACTED] met with [REDACTED] to discuss the logistics of this case.**

[REDACTED] said she completed Sales Workshop 1 training in November of 2006 and began working in the field with the Toms River Pod. In addition to herself, [REDACTED] identified the members of the Toms River Pod as:

Executive Sales Consultant [REDACTED] – Ciba Sales Division
 Manager: [REDACTED]
 Senior Sales Consultant [REDACTED] – Novartis Sales Division
 Manager: [REDACTED]
 Executive Sales Consultant [REDACTED] – N2 Sales Division
 Manager [REDACTED]
 Executive Sales Consultant [REDACTED] – N3 Sales Division
 Manager: [REDACTED]
 Senior Sales Consultant [REDACTED] – [REDACTED] Division
 Manager: [REDACTED]
 Sales Representative [REDACTED] – N4 Sales Division
 Manager: [REDACTED]
 Senior Sales Consultant [REDACTED] – N5 Sales Division
 Manager: [REDACTED]

N-V1 Sales Representative [REDACTED] – N6 Sales Division
 Manager: [REDACTED]

[REDACTED] told us that she strongly suspected that several members of the Pod are engaged in unethical behavior and practices that could be in clear violation of Novartis policy, as well as possibly government regulations. [REDACTED] said that with the exception of [REDACTED], the rest of the Pod are probably involved in illicit practices that are carried in a conspiratorial manner.

[REDACTED] said since the moment she started working in the field, she has been barraged with numerous telephone calls from members of the pod which had a consistent theme of questioning whether or not she could be “trusted.” [REDACTED] clearly inferred that the calls had something to do with questionable marketing/detailing practices being conducted by members of the pod. [REDACTED] said she also received these messages of doubt in person, when she would happen to meet members on office visits. [REDACTED] said the calls and messages came chiefly from [REDACTED], and [REDACTED], and to a lesser extent, [REDACTED]. [REDACTED] said one of the main concerns of the reps in her pod had to do with [REDACTED] manager, [REDACTED]. [REDACTED] was told on several occasions that the pod had heard that [REDACTED] was a “by the book” leader, and it was a cause for concern. [REDACTED] said [REDACTED] and [REDACTED] told her they would give her a list of physician offices she should never bring [REDACTED] to, because it might get us, (the pod), in trouble. [REDACTED] said there are certain doctors they would never want [REDACTED] to talk to.

[REDACTED] remarked that she was never told in exact detail what the pod was doing that caused them to be concerned about trusting her or [REDACTED], however, [REDACTED] felt strongly it concerned activity that was not sanctioned by Novartis or the Pharma code. [REDACTED] was often told “things were done differently in Toms River,” and “things done in the Toms River area shouldn’t be talked about.”

[REDACTED] supplied a time line of events which caused her to be very wary about the above listed members of the pod.

November 29, 2006: [REDACTED] said she happened to meet [REDACTED] while both were making detail calls at a physician’s office. [REDACTED] said [REDACTED] stated to her that he was very concerned about “the stuff he does with Doctor [REDACTED],” adding “we all cover each other’s asses in this territory”. [REDACTED] said [REDACTED] later told her that when a sales representative sets up a program with Doctor [REDACTED], they should tell [REDACTED] wife, and the whole staff will show up for the event.

November 30, 2006: [REDACTED] said she received a telephone call from [REDACTED] in which she [REDACTED] said Doctor [REDACTED] wanted to get a \$1,000 honorarium for speaking about Exelon. [REDACTED] suggested to [REDACTED] that she ([REDACTED]) set up

a dinner for Doctor [REDACTED] and warned her that [REDACTED] entire family would show up for the dinner.

December 7, 2006: [REDACTED] said she brought lunch into the office of Doctor [REDACTED]. At the lunch, [REDACTED] tried to talk to Doctor [REDACTED] about setting up speaker programs. [REDACTED] said Doctor [REDACTED] told her he doesn't actually speak at the programs, then added, "Talk to the guys (Novartis sales reps), they've been here a long time, they'll tell you how it works..."

December 12, 2006: During a conversation with [REDACTED], [REDACTED] said she was told that Novartis sales reps have given Doctor [REDACTED] gift certificates in the past. [REDACTED] said [REDACTED] told her that it was not necessary to bring lunch into Doctor [REDACTED] office, just give him gift certificates.

January 3, 2007: [REDACTED] said she was with [REDACTED] at the office of Doctor [REDACTED] and Doctor [REDACTED]. [REDACTED] said as they were leaving, [REDACTED] walked down a hallway and spoke quietly and privately with Doctor [REDACTED] and discreetly handed him something. [REDACTED] suspected it to be a gift certificate.

January 4, 2007: [REDACTED] said she received a telephone call from [REDACTED], who asked her, "Do you tell your manager everything?", and said he was worried about the new Sales Reps ([REDACTED]). Tomek added that they "were a tight team." [REDACTED] then told her, "we can get speakers out, but we can't get doctors out to programs." [REDACTED] said shortly after this call, she received a follow up call from [REDACTED], who asked her "How did things work up in [REDACTED]?" [REDACTED] was referring to the territory [REDACTED] had covered for years before her previous career with Novartis. [REDACTED] said it was a common pattern for [REDACTED] to call right after [REDACTED] would call.

January 5, 2007: [REDACTED] said she received a telephone call from [REDACTED] a former Novartis Sales Representative who was terminated from the Senior Care Division, Toms River Territory, in October 2006. [REDACTED] said [REDACTED] knows [REDACTED], [REDACTED], and [REDACTED]. [REDACTED] told [REDACTED] that the current Toms River pod thought she ([REDACTED]) was "so sincere and legitimate." [REDACTED] talked about speaker programs where no physician would speak, and also how the reps would hand out gift certificates. [REDACTED] said she thought the phone call was very strange and had been made at the behest of current members of the pod to gauge her reaction to the subjects that [REDACTED] mentioned.

January 11, 2007: [REDACTED] said she received a telephone call from [REDACTED] during which he asked her if she had spoken to [REDACTED].

January 17, 2007: [REDACTED] said a pod meeting was set up by [REDACTED] at the Courtyard by Marriott in Red Bank, New Jersey. [REDACTED] thought it was rather odd to have the meeting in Red Bank, since it was well outside the Toms River

territory. [REDACTED] said the District Manager pod sponsor, [REDACTED], was at the meeting. [REDACTED] explained that her manger, [REDACTED], had been coincidentally holding a meeting with another sales representative at the Courtyard Hotel. [REDACTED] arrived at the Courtyard, and heard there was a Novartis meeting going on there, so she stopped by the meeting for just a moment to say hello to [REDACTED] and left shortly after. [REDACTED] said the pod was very upset and confused by [REDACTED] quick visit to the meeting, and continually asked her why [REDACTED] was there. [REDACTED] specifically asked why [REDACTED] was there, commenting that "None of us trust her."

[REDACTED] said at the pod meeting, she asked why there was no centralized printed calendar for the pod, and did not receive a satisfactory explanation. [REDACTED] said she mentioned to [REDACTED] that she wanted to do a speaker program with Doctor [REDACTED]. [REDACTED] said [REDACTED] told her he would supply an honorarium to Doctor [REDACTED] if [REDACTED] would supply a restaurant receipt. [REDACTED] said [REDACTED] told her she could come up with a receipt or "one of the guys" would come up with receipt. [REDACTED] believed that the calendar was never talked about because "the pod wanted to keep people out of the loop."

January 22, 2007: [REDACTED] said she reported everything [REDACTED] had told her to Regional Director [REDACTED].

January 23, 2007: [REDACTED] said she received a telephone call from [REDACTED] during which he proposed a meeting with [REDACTED] the following day on January 24th. [REDACTED] wanted to meet [REDACTED] because he was very concerned that "[REDACTED] will bring everyone down." [REDACTED] said she received a telephone call from that same day from [REDACTED], who told her he heard she was meeting with [REDACTED]. [REDACTED] said [REDACTED] told her he wanted to give a "heads up," that tomorrow they would give her a list of doctors that the pod does not want [REDACTED] to ever visit. [REDACTED] said [REDACTED] then mentioned members of the Baltimore team getting fired, and again mentioned being very concerned about [REDACTED] being by the book and that she "could bring the whole team down."

January 23rd (continued) [REDACTED] said she received the second call of the day from [REDACTED]. During this call, [REDACTED] told her "You're very hard to read, the team doesn't know whether to trust you yet."

January 24, 2007: [REDACTED] called [REDACTED] at about 10 a.m. and advised [REDACTED] about the latest developments. [REDACTED] said she met [REDACTED], [REDACTED], and [REDACTED] at a Dunkin Donuts on Lanes Mill Road in Brick Township. [REDACTED] told [REDACTED] he wanted to talk about budgets and programs. [REDACTED] said she proposed doing a program with Doctor [REDACTED] at a restaurant called Villa Almalfi in Toms River. [REDACTED] said [REDACTED] was very adamant that she not use Villa Almalfi and suggested she use Jimmy C's Steakhouse. [REDACTED] said [REDACTED] then provided her with a list of physicians that she should never bring [REDACTED] to. The verbally given list consisted of: Doctor's

██████████ remarked that on November 29, 2006, she had been told by Doctor ██████████ that he had not seen a Lotrel representative in a long time. ██████████ said ██████████ then interrupted ██████████ stating that they shouldn't be giving her a list, just have ██████████ check with us before you go." ██████████ said ██████████ also remarked "██████████ (District Manager) is a straight one we have to worry about." ██████████ said ██████████ suggested to her to use Doctor ██████████ as a speaker.

January 30, 2007: ██████████ said she was on a ride along with ██████████ Tsai when she received a telephone call from ██████████. ██████████ said she told ██████████ she was with ██████████ and ██████████ seemed very appreciative of the "heads up." ██████████ said ██████████ warned her that going to Doctor ██████████ with ██████████ could be "very dangerous."

September 14, 2007: This case was then assigned to Associate Director ██████████ and Manager ██████████ (Corporate Security) which now included another Alert Line complaint received in reference to the activities of several Novartis sales consultants fraudulently paying physicians for programs that did not occur. The representatives identified were ██████████, ██████████, ██████████ and ██████████. The programs ranged from paying the physicians for the programs that did not occur to paying for a vacation dinner for them. A new BPO number 581/2007 was taken on this case which is included in this case.

September 26, 2007: On this date Associate Director ██████████ and Security Manager ██████████ interviewed senior sales consultant ██████████ in the Toms River area. ██████████ indicated that she wished to continue to follow up with the information originally supplied in January 2007 as the activity between the Toms River Pod and numerous physicians continued to be dishonest, immoral and against the Pharma code which puts the company at great risk.

She indicated that her manager ██████████ was aware of her contacting this department and encouraged her to follow thru with her information. ██████████ stated that since she last spoke on this subject the activity was still continuing. She indicated that the following POD team members are involved in the fraudulent activities:

- 1- CIBA representative ██████████
- 2- Novartis representative ██████████
- 3- N2 representative ██████████
- 4- N3 representative ██████████
- 5- N5 representative ██████████
- 6- N6 contract representative ██████████
- 7- Geigy representative ██████████
- 8- Geigy representative ██████████

- 9- N4 representative [REDACTED] (accordingly [REDACTED] is a relatively new employee who was told to "keep her mouth shut" by the rogue representatives.

[REDACTED] added that she believed that DM [REDACTED] who has been with Novartis over 10 years and in the same Toms River territory has orchestrated many of the illegal activities with the above representatives showing them the ways to deceive in their activities. [REDACTED] also said that "she believed that [REDACTED] was the original ring leader of this group, and that the misconduct in the pod has been happening for years."

[REDACTED] stated that the physicians included in this network of activities were; Dr's [REDACTED] and [REDACTED]

Lastly, [REDACTED] indicated that [REDACTED] had called her on September 10, 2007 and asked her to give out some of his Diovan 160 and 160 (12.) samples as he had 30 cases in his basement and it was taking up too much room. She declined as she does not detail Diovan.

On January 23, 2008, Corporate Security reviewed the AHM Speaker event program website to review the activities of the aforementioned representatives. This review showed that Dr. [REDACTED] had been used as a speaker on several occasions in January 2008. These programs were hosted by different representatives who were identified in the original allegations. A review showed that representatives [REDACTED] and [REDACTED] had scheduled speaker events on the following dates which are charted below.

Date Program	Rep.	Location	Speaker	Invitees
1-24-08	[REDACTED]	Pino's Rt. 9 Englishtown, NJ	[REDACTED]	Exelon/Reclast
1-28-08	[REDACTED]	Shogun	[REDACTED]	Exelon/Reclast
2-5-08	[REDACTED]	I Cavallini	[REDACTED]	Diovan/Exforge

2-11-08	[REDACTED]	I Cavallini	[REDACTED]	[REDACTED]	Diovan/Exforge
2-11-08	[REDACTED]	Shogun	[REDACTED]	[REDACTED]	Exelon/Reclast

Based on the fact that the information in this case centered on speaker programs that did not take place, and attended by unauthorized persons, it was decided to covertly audit these dinners for the investigation. With the Event Alliance system (AHM) in place, the speaker dinners could now be viewed beforehand, which provided information such as, host, location, speakers attended and invitees.

On January 24, 2007, Associate Director [REDACTED] [REDACTED] and Manager [REDACTED] attended a speaker program at Pino's Restaurant on Rt. 9, Englishtown, NJ. Below is a synopsis of those evenings' events.

According to Event Alliance, a speaker program was to be held at Pino's, hosted by Representative [REDACTED], with representatives [REDACTED] and [REDACTED] also attending. The time was scheduled for 7:00 pm with an estimated 10 guests, 3 Novartis representatives and 2 speakers; Dr. [REDACTED] and Dr. [REDACTED].

Security arrived at the restaurant at approximately 7:15 pm. We were seated in the Northwest side of the restaurant, nearest a table set for ten. Other sporadic guests were seated at various tables, but no tables were pre set for more than six guests. There was a private dining room off the entrance which was vacant. While sitting at our table, the pre set table of ten appeared to be the table where the speaker event was to be held. Seated at the table were two elderly males, and next to them were three females. There were standard menus in view on the table. The table members appeared to be waiting for others to arrive and were in general conversation. Due to our close proximity to this table, some of the conversation could be heard, but not all. As the time progressed, the same table guests ordered drinks and appeared to be anxious as to the other guest not being there.

Approximately 20 minutes later, a man and a woman arrived who introduced themselves to the already seated guests. This couple was later confirmed to be husband and wife.

At approximately 8:10 pm, a male, wearing a white sweater, dark slacks and thick eyeglasses arrived with a stylish dressed woman. He commented to the table that, "he was in NY and saw his surgeon, his prescription got better and

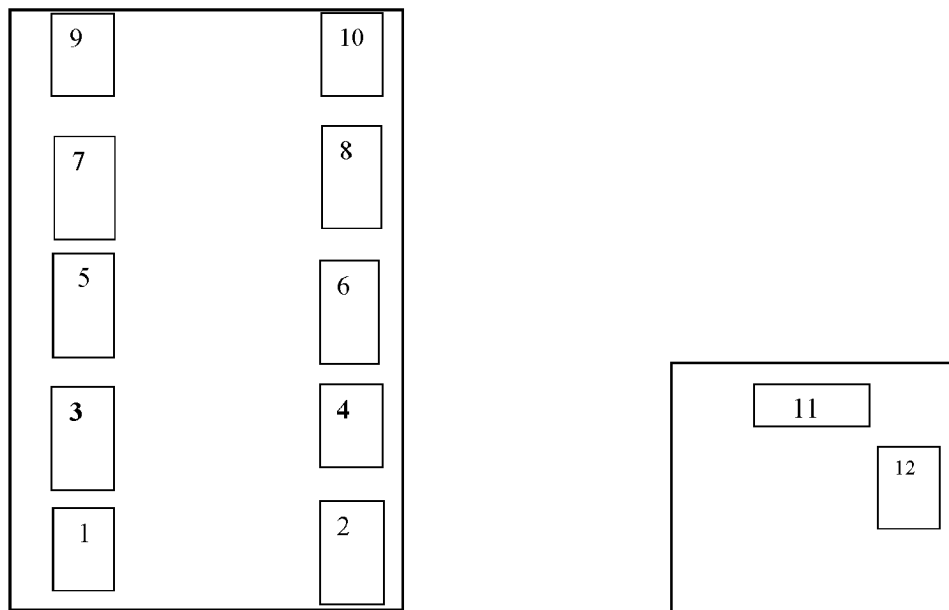
he apologized for being stuck in traffic and being late.” He was introduced as Dr. [REDACTED] and his wife [REDACTED]. The group, now totaling ten, ordered appetizers and exchanged table talk. While conversing with each other, the undersigned was able to hear Dr. [REDACTED] refer to the female seated at the table as “[REDACTED] [REDACTED]” made a comment to the table stating he was poking fun at [REDACTED] saying “she’s paying me \$1000 to finally go out to dinner so he could get her off his back”. Shortly thereafter, the unidentified representative passed around a sheet which appeared to be some type of sign in sheet. As the night continued, Dr. [REDACTED] was overheard speaking about Reclast. He talked about how his patients responded to it and then spoke about the Exelon Patch, to which Dr. [REDACTED] stated, “If you leave it on too long it looks like a tattoo”. During his conversation, only one half of the table seemed to listen as others at the table were in their own side conversations. The conversation seemed to be concentrated with the older males at the end of the table across from the unidentified rep. The entire medical discussion was limited to no more than approximately 10 minutes, and during the entire time music played in the background making it difficult to hear. No paperwork, slide deck, or other supporting documentation was used.

At approximately 9:00 pm, one of the male attendees at the end of the table, bid everyone goodbye and left. He did not stay for dinner. The group then ordered dinner and spoke casually amongst themselves. Dr. [REDACTED] was overheard asking the male sitting across from him, “What part of Romania are you from”? He was later referred to as “[REDACTED] Dr. [REDACTED]” during his conversation, talked about not wearing a white lab coat during work because at one time he got blood on it, and that he trained under Dr. [REDACTED] (phonetic) while at Monmouth Medical Center. The group finished dinner and then ordered desert. At approximately 10:15 pm we left the restaurant. It was observed at the end of their table that several containers were on a seat closest to the group wrapped in plastic bags. We could not determine what was in the containers.

Further information developed in this investigation determined that Dr. [REDACTED] who is listed as attending this program in AHM, did not appear to be present. [REDACTED] is described as a shorter Asian/Philippine male and no person at this table fit this description. Also it was learned that Eugenia Babiak is a practitioner who drives an older pick-up truck.

On March 26, 2008, a payment was cleared to Dr. [REDACTED] for \$1000.00 and \$33.39 for a faculty honor and faculty expense. A check for faculty expense was also cleared for Dr. [REDACTED] in the amount of \$12.63 and a faculty honor check was outstanding for the amount of \$1000.00.

The below diagram represents where the identified and unidentified guests were sitting at Dr. [REDACTED] table.

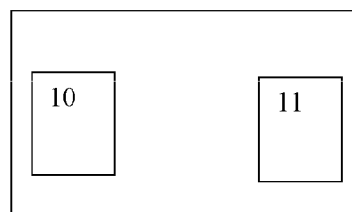
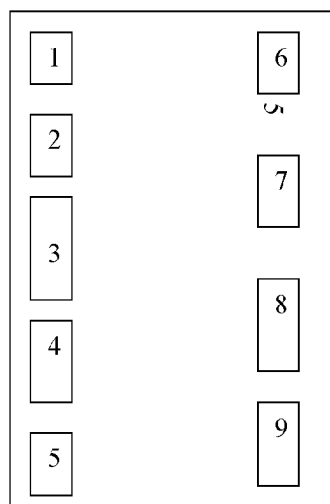
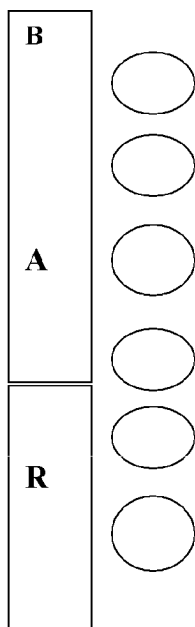


Positions

1. unidentified w/m (left before dinner)
2. unidentified w/m
3. Unidentified female rep.
4. Rep. [REDACTED]
5. Rep. [REDACTED]
6. unidentified w/f
7. Dr. [REDACTED]
8. unidentified w/m possible [REDACTED]
9. [REDACTED]
10. older unidentified w/f possibly [REDACTED]
11. [REDACTED]
12. [REDACTED]

On Monday, January 28, 2008, Security Manager [REDACTED] and Associate Director [REDACTED] responded to the Shogun at Bey Lea restaurant, located in Toms River, New Jersey. This restaurant was identified as one of the restaurants often frequented by representatives in the Toms River area. According to the AHM program registry, an Exelon Patch and Reclast speaker event was to be held on this date with speakers identified as Dr. [REDACTED] and Dr. [REDACTED]. It was estimated that there would be 10 attendees and three Novartis representatives present, [REDACTED], [REDACTED], [REDACTED].

Upon arriving at the restaurant at approximately 7:45 pm, both [REDACTED] and [REDACTED] determined there was no private room and the restaurant was split into two sides, one a hibachi style side and one a sushi style side. Thomas recognized representative [REDACTED] as she sat with a group of nine people on the sushi side. There was also a bar area which was hosting a birthday celebration directly in front of where the table was located. It was described as extremely loud with a "gong" going off throughout the night. [REDACTED] and [REDACTED] sat next to this table of 9. [REDACTED] was identified as being the same person that was at the January 24th program at Pino's restaurant. [REDACTED] appeared to be with another representative, believed to be [REDACTED]. [REDACTED] was described as W/M, 30's, 6-6'1 tall, with brown hair and glasses. The attendees were seated at the table as follows;



Positions

1. [REDACTED]
2. [REDACTED]
3. Older Asian/Philippine woman 60's-70's (possibly [REDACTED])

4. Older Asian/Philippine woman 60's-70's
5. Younger Asian/Philippine male 30's-40's (possibly Dr. [REDACTED])
6. Older Asian/Philippine male 60's-70's (possibly [REDACTED])
7. Older Asian/Philippine woman 60's-70's (possibly [REDACTED])
8. Older Asian/Philippine woman 60's-70's (possibly [REDACTED])
9. Older Asian/Philippine male 60's-70's (possibly [REDACTED])
10. [REDACTED]
11. [REDACTED]

[REDACTED] stated that the male representative believed to be [REDACTED] was talking to the two groups, but not about Novartis products. [REDACTED] overheard them talking about blue fish fishing. There were no laptops, handouts or slide decks observed. It appeared to be friends having dinner. At approximately 8:15 pm representative [REDACTED] directed her attention to the younger Asian male at the end of the table holding some papers in her hands. As he spoke, he did not refer to the paperwork. Soon after this, the male believed to be Dr. [REDACTED] and the woman next to him left saying good-bye. The doctor believed to be [REDACTED] commented to [REDACTED] something to the effect of "thank you for the local speaker, as [REDACTED] responded sarcastically, "you mean world renowned." At approximately 8:40 pm, the remaining people began to leave the table. [REDACTED] said good-bye to each one." **Note: It was believed that that Dr. [REDACTED] was the doctor that Dr. [REDACTED] and [REDACTED] were referring to.**

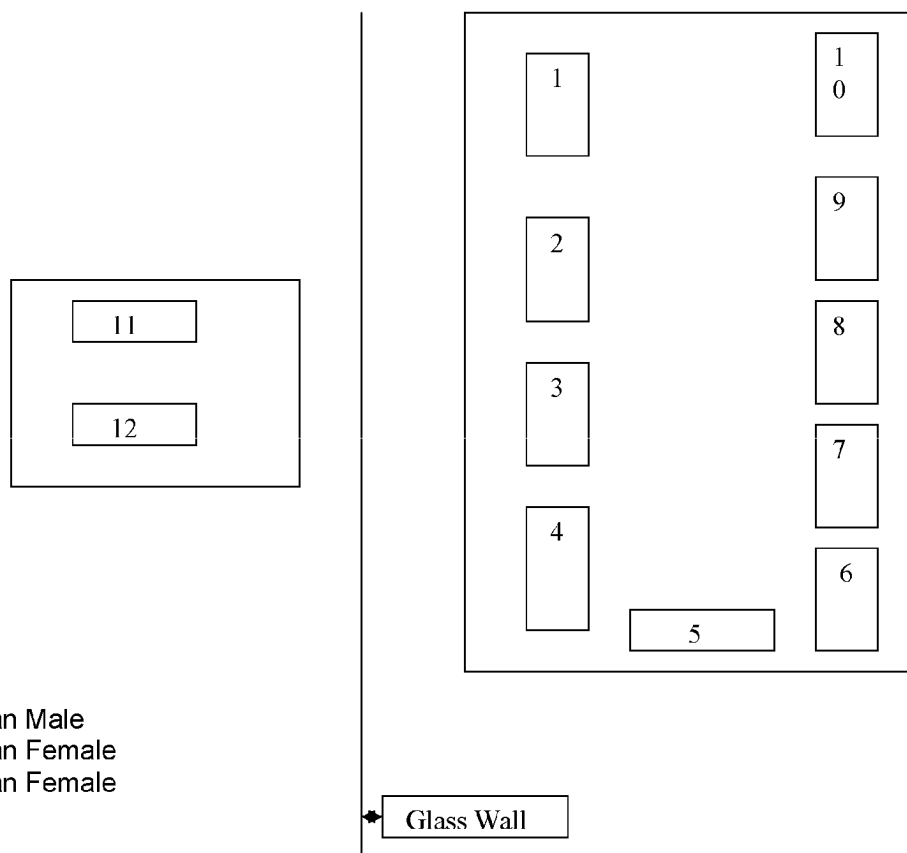
After the attendees left, the male representative believed to be [REDACTED] made a joke to [REDACTED] regarding Zelnorm and Viagra, and he said he wished that he could market both because people wouldn't know, "if they were coming or going". [REDACTED] overheard [REDACTED] ask to see the bill before she left. As [REDACTED] was signing the bill, the male representative kissed the hostess on the cheek and hugged the manager good-bye.

Dr. [REDACTED] who was listed as the speaker was not present. A total of 9 people attended this dinner, two of which were Novartis representatives. Patrons 6 & 7 and 8&9 appeared to be couples. It is believed that based on information obtained after this date, the dinner was attended by Dr. [REDACTED] described as (#5) above and representative [REDACTED] described as (#1) above. Additionally, it was learned that representative [REDACTED] had recently changed her name to [REDACTED] and was on disability as of 1-11-08. Information gained afterwards has led to the identities of the attendees as described above. Dr. [REDACTED] is said to be retired and not practicing. The checks were cleared to both Dr. [REDACTED] and [REDACTED] as of January 31, 2008.

On Monday, February 11, 2008, the undersigned and Compliance Specialist [REDACTED], traveled to the Shogun restaurant, located at 1536 North Bay Avenue, Toms River, New Jersey. The reason for this visit was to observe the speaker dinner program scheduled by Sales Representative [REDACTED] which

was identical to the program she held on January 28th. We arrived at approximately 7:30 and were directed to sit at a table adjacent to the main dining room of the restaurant. A glass wall partition separated us from a table where ten people sat, one of them being [REDACTED]. Also seated at the table was a white male, 6'-6'1" tall, brown hair, frameless glasses believed to be representative [REDACTED]. All of the others seated at the table appeared to be of Asian-Philippine decent. At the one end of the table there was laptop computer open and on which showed some sort of chart on the screen. This screen was the only screen on the laptop which stayed on until 7:50 pm and then the laptop was closed. It did not appear that anyone at the table was referring to the laptop, or it was used during a conversation with the group. Moreover, the group appeared to be involved in several separate conversations, laughing and talking throughout dinner. No paperwork could be seen being distributed or Dr. [REDACTED] was once again not present.

At around 8:40 pm, the group began to leave the restaurant with parties 1,2,4, and 5 leaving, followed shortly by 8,9, and 10. [REDACTED] proceeded to go to the cashier and discuss with the host the bill and was overheard saying the tip would be \$180.00. At approximately 9:00 pm, both [REDACTED] and [REDACTED] left the restaurant. See below seating chart with descriptions of attendees.



1. Asian Male
2. Asian Female
3. Asian Female

4. Asian Male
5. Asian Male (younger 30's)
6. White Male (possibly [REDACTED])
7. [REDACTED]
8. Asian Female
9. Asian Male
10. Asian Male (possibly Dr. [REDACTED])
11. [REDACTED]
12. [REDACTED]

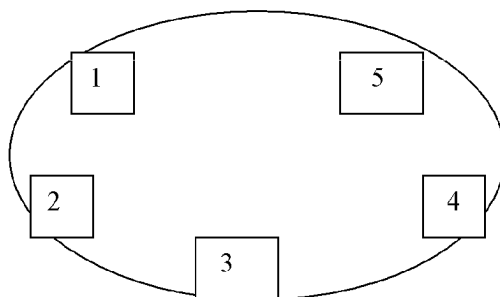
Corporate Security checked the AHM system for this program. The following program closeout information was filed by [REDACTED] on 2/14/08: AHM listed 11 attendees and the restaurant receipt shows 12 guests. The tip cost was \$180.00. Representatives [REDACTED] and [REDACTED] were listed as attended. Dr.'s [REDACTED] and [REDACTED] were listed as speakers and were both each paid a \$1000 speaker honorarium. The other attendees were listed as; [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED].

On Monday, February 11, 2008, Security Manager [REDACTED] and Associate Director [REDACTED] responded to the I Cavallini restaurant, 29 Rt. 34, Colts Neck, NJ. The purpose of this trip was to observe the Speaker Program hosted by Sales Representative [REDACTED].

It was observed that the restaurant was extremely small, and the seating area was located in one main dining room. No private room was observed, although a bar was situated on the second floor. No private party was observed so the investigators went to the 2nd. Floor bar and observed one unidentified male seated at the bar. He was described as approx. 6' tall, clean shaven, brown hair in his mid 40's. Investigators covertly engaged in a conversation with the individual, and he volunteered that he was waiting for his party to show for a business meeting. Approximately 10 minutes later, another male arrived at the bar who is described as an Asian/Indian male, black hair, clean shaven in his mid 30's who arrived at the bar and greeted the other male at the bar by saying, "hey what's up [REDACTED]"? The Asian/Indian male was identified by his photograph as representative [REDACTED]. The conversation between [REDACTED] and the subject called [REDACTED] was overheard. [REDACTED] stated to [REDACTED] that "he had a tough one, because he only had two show, and he had to make up for seven". At this point it was believed that the male [REDACTED] was representative [REDACTED]. [REDACTED] was also overheard saying to [REDACTED] "I'll have to call AHM to fix it", followed by, "I'll have to get a holiday basket, ha, ha, to make it up." At one point the owner of the restaurant hugged both representatives. Soon afterwards, both individuals went downstairs to join their party.

Investigators also proceeded downstairs shortly thereafter and noticed a table set for six. Four males were seated at the table, identified as Dr. [REDACTED], [REDACTED], and an unidentified male. Approximately twenty minutes later, [REDACTED] joined the table. Investigators were seated across the dining room, approximately fifteen feet away. The owner was overheard telling one of the wait staff to "get [REDACTED] bottle of wine." The party now consisting of five people had dinner and [REDACTED] was overheard scheduling dates with [REDACTED] wife for 9/16, 9/26 and 9/29. Prior to dinner being served, the unidentified male was referred to as Dr. [REDACTED] by [REDACTED]. [REDACTED] had ordered dinner ahead of the others, and was overheard saying he had to go to Brooklyn. He ate and left the table not to return. Also, Dr. [REDACTED] had stepped away from the table for approximately 20 minutes and was seen having a heated conversation with someone on his cell phone. Soon after this phone call, [REDACTED] grabbed his briefcase and left with his wife.

No speaker program was observed, specifically with Dr. [REDACTED] and no paperwork was ever shown on the table. At the end of the evening, [REDACTED] and [REDACTED] stayed to reconcile the bill. They were overheard talking about "how they needed to account for seven attendees on the bill", and further attempted to figure out the proper tip for seven attendees. It should also be noted that Thomas engaged the waiter in a conversation when the night was over and they spoke about business being slow. [REDACTED] commented to the waiter that "business wasn't too bad tonight," "that party of five in the back must of helped", to which the waiter replied, "yeah, there with a pharmaceutical company." Thomas commented back, "that's funny because my wife and I were just at another restaurant where another pharmaceutical company made a loud presentation at the restaurant." The party of five was pretty quiet." The waiter replied, "these guys usually come in on Wednesday's and keep to themselves." [REDACTED] and [REDACTED] left the restaurant at approximately 9:45 pm.



1. [REDACTED]
2. Dr. [REDACTED]
3. [REDACTED]

4. Dr. [REDACTED]
5. [REDACTED]

Periodic checks were done concerning the Event Alliance data base. According to the information supplied by [REDACTED], as of March 6, 2008, three (3) HCP's attended this event, [REDACTED]. A check of the data base as of March 10, 2008 showed another name, [REDACTED] added to the list. On March 11 and March 17, 2008 two checks were cleared for Dr. [REDACTED] in the amounts of \$1000.00 as a faculty honor and \$31.87 as a faculty expense.

Interviews:

On Friday, April 4, 2008, the Toms River POD representatives began to be interviewed regarding their knowledge of the misconduct in the Toms River territory. A synopsis of these interviews is detailed below.

[REDACTED] 4/4/08

Senior Sales representative [REDACTED] indicated that she has been a rep [REDACTED], working exclusively in the Toms River territory. She indicated that her current manager is [REDACTED] and that she was a Presidents club award winner for 2002 and 2005. [REDACTED] was asked specifically about several programs she ran over the last few months and initially indicated that they were legitimate programs, with authorized speakers and attendees.

On January 24, 2008, [REDACTED] indicated that she had a speaker program with Dr. [REDACTED] an internist and Dr. [REDACTED], an obstetrician who also specializes in osteoporosis. She indicated Dr. [REDACTED] gave his presentation on the Exelon patch, and Dr. [REDACTED] gave his talk on Reclast, using a package insert. She admitted that both were paid an honorarium of \$1000. When asked how the talks were conducted, she indicated that they are usually done in an informal setting with no slides as she found that the formal setting did not generate any better conversations. When asked about the payment made to the restaurant, [REDACTED] stated that AHM handled all of the restaurant details and she did not even see the receipts, as the restaurant would send the receipts directly to AHM. [REDACTED] indicated that the attendees were; Dr. [REDACTED] Dr. [REDACTED] herself, representative [REDACTED], Dr. [REDACTED], Dr. [REDACTED], Dr. [REDACTED], and Dr. [REDACTED]. [REDACTED] was asked what the difference was from the program she ran and a roundtable, and she answered, "good question"?

[REDACTED] was advised that we had attended the dinner. She was asked to tell the truth about what had transpired and who actually attended. [REDACTED]

appeared stunned at this revelation, and indicated she would now tell us the truth. [REDACTED] stated that the attendees were Dr. [REDACTED] and his wife [REDACTED], Dr. [REDACTED], a friend of Dr. [REDACTED], Dr. [REDACTED] and his wife, Dr. [REDACTED], Dr. [REDACTED] representative [REDACTED], and a respiratory dermatologist representative [REDACTED], who also calls on Dr. [REDACTED]. She admitted that Dr. [REDACTED] was not there. She further admitted that she added the names of the doctors to cover for those who were actually there. Lastly, she stated the reason she did not put down representative [REDACTED], is because she was not supposed to be there, and that Dr. [REDACTED] and Dr. [REDACTED] "didn't really present that night."

On January 28, 2008, [REDACTED] held a speaker program at the Shogun restaurant and was co-sponsored by [REDACTED]. [REDACTED] stated this program was conducted by Dr. [REDACTED], who had his computer open, in which he went over two slides. She further stated Dr. [REDACTED] was also present and is a KOL, Alzheimer's expert, and has a very close relationship with the brand team. When asked what Dr. [REDACTED] did at the dinner, [REDACTED] stated he, "kinda talks". When confronted with our information on this program, [REDACTED] admitted that Dr. [REDACTED] never showed up, was paid a \$1000.00 honorarium, and the dinner attendees were recruited by Dr. [REDACTED]. The attendees were all of those who were listed on the AHM program except, Dr. [REDACTED]. [REDACTED] stated the attendees on the AHM sheet were incorrect and the actual attendees were Dr.'s [REDACTED] and [REDACTED], Dr. [REDACTED], Dr. [REDACTED], Dr. [REDACTED] and [REDACTED], [REDACTED] and Dr. [REDACTED]. [REDACTED] was also asked if she altered the receipt as she was seen at the end of the dinner with the receipt and it read ten guest and only nine were present. She denied altering the receipt.

On February 11, 2008, [REDACTED] held a speaker program at the Shogun restaurant and was again co-sponsored by [REDACTED]. [REDACTED] indicated that the speakers were Dr. [REDACTED] and Dr. [REDACTED] who spoke on Exelon and Reclast. [REDACTED] stated the attendees were herself, [REDACTED] Dr. [REDACTED] and [REDACTED], Dr. [REDACTED], Dr. [REDACTED] Dr.'s [REDACTED] and [REDACTED]. [REDACTED] was asked why she doesn't do roundtables during this discussion and she stated, "I do speaker programs". [REDACTED] was again advised of investigators attending this program. [REDACTED] again admitted that Dr. [REDACTED] was not in attendance, and all of the other attendees were present. She was asked about discussing the tip with the restaurant manager in reference to the \$180.00 tip (as detailed on page 15), and indicated she did not recall this conversation. [REDACTED] admitted that Dr. [REDACTED] and [REDACTED] were both paid a \$1000.00 honorarium.

██████████ 4/4/08

Senior Sales Consultant ██████████ has been with Novartis two years, and formerly worked for Forest Labs. He is a Geigy I representative. He is a Presidents club award recipient for 2007.

When asked about the program that occurred on January 28, 2008, ██████████ stated he vaguely remembered this program and stated that "I'm sure everything went fine." He was asked if the presentation was conducted using a slide show, and he stated, "yeah, everything". When asked what physicians presented, he stated, "Dr. ██████████ and ██████████". He stated there were questions about muscle pain from the attending physicians, and Dr. ██████████ used a computer at the end of the table. When he was asked to reconsider who was present, ██████████ stated that, "██████████ wasn't really there". He stated that the other physicians documented were actually there. He also stated that, "we paid Dr. ██████████ ahead of time with the hopes of him showing up", and when he was informed that the program is not designed to pay a physician ahead of time, he stated, "I know". ██████████ indicated that Dr. ██████████ was a demanding doctor, and that he had to pay him to keep him happy. When asked about the other three programs ██████████ hosted with Dr. ██████████ in 2008, ██████████ admitted that Dr. ██████████ did not show up at all. These programs were N-2BHB1C-6, N-2BHB1C2, N-2BHB1C-1, and was paid \$1000.00 for each program. **Note: According to ██████████ ██████████ even complained to ██████████ and ██████████ that he should be getting paid a \$2,000 honorarium instead of the current \$1,000 agreement.**

When asked if anyone showed him how to alter the programs, ██████████ stated he did it on his own. When asked again, he stated he did not want to say. He also would not answer when asked if he had ever altered any program receipts.

██████████ 4/5/08

Senior Sales Consultant ██████████ has been with Novartis for the past six years. He has been a Presidents club recipient in 2003, 2004 and 2007. He is assigned the Toms River POD, and stated he conducted lunch and learns, roundtables and speaker programs. He indicated that the roundtables and lunch and learns were not as effective as the speaker programs. He details, Exforge, Diovan and Tekturna. His current manager is ██████████.

██████████ was asked about the program he ran at the I Cavallini restaurant on February 11, 2008. He stated that this was a program with the speaker being Dr. ██████████. ██████████ stated that he began the night upstairs at the bar because Dr. ██████████ always arrived late. ██████████ stated he met up with Dr.

██████████ at the bar, and that Dr. ██████████ was already there. After having a drink, they went downstairs for Dr. ██████████ program which was given as an informal presentation. ██████████ indicated that the dinner was attended by himself, Dr. ██████████ Dr. ██████████ Dr. ██████████ and representative ██████████. When confronted with the observations of investigators at the program, ██████████ stated that Dr. ██████████ did not give any program that night, although he was given an honorarium of \$1000.00. ██████████ stated that Dr. ██████████ and ██████████ were not really there, and that he put down their names to cover for Dr. ██████████ wife who was there, and Dr. ██████████ ██████████ admitted that he was "at fault". He further admitted to altering the receipt to make up for the other two dinners on the bill. ██████████ stated that the restaurants are involved and have deals with the physicians. He admitted to altering other receipts in the past. In addition to Dr. ██████████ Dr. ██████████ and ██████████ are extremely demanding and won't write prescriptions if they are not paid. ██████████ admitted he made Presidents club because he paid these doctors for the prescriptions they wrote.

Due to the apparent deception associated with ██████████ and the programs he indicated that did occur, ██████████ was asked to detail his knowledge of the fraud associated with these and other speaker events. He indicated that physicians such as Dr. ██████████ know that pharmaceutical companies have a great deal of money to spend on them and that they "expect" to be paid for the amount of prescriptions they write. ██████████ indicated that ██████████ has stated, "that if there not paying me, I'll write for somebody else". ██████████ stated they he knew that ██████████ stopped using ██████████ last year due his high demands. ██████████ also stated that Novartis apparently sent ██████████ a letter in July 2007, saying they had a \$100,000 cap to spend on him, and "he expected it and wanted to get the money allotted to him." When asked how pervasive this conduct was, ██████████ stated that all of New Jersey is like this. ██████████ stated the managers do not go to the programs and was not aware of what was going on. ██████████ denied any collusion with AHM, and said he was only kidding about the gift baskets. ██████████ stated that another restaurant he uses, Villa Almalfi, will add on meals, and to go orders.

4/5/08

Executive Sales Consultant ██████████ has been with Novartis for 10 years. He is assigned the Toms River territory and has been a President's club recipient five times and an International Club recipient three times. ██████████ was asked about the February 11, 2008 program at I Cavallini which was co-sponsored by ██████████ stated that he first met with the physicians, ██████████ and ██████████ upstairs, and then went to the dining room for the ██████████ presentation. He could not explain why he was not listed on ██████████ paperwork. When challenged on who was actually there, ██████████ stated that "they were there", meaning the above physicians. He was again

asked if he was sure they were there, and [REDACTED] definitively replied, "they were there". It was not until [REDACTED] was informed that Investigators were present, that he then admitted that the program didn't really happen that way, and that [REDACTED] did not speak. He admitted that he tried to cover for his partner, [REDACTED] and that there were only six people in attendance. When asked about this program, he stated that Dr. [REDACTED] wife was in attendance as she drives him and often stays for dinner.

[REDACTED] was then asked about the other programs he hosted at I Cavallini and Villa Almalfi restaurants. He stated that program N-2BAC1A-6 on 3/27/08 with the speaker Dr. [REDACTED] was attended by Dr.'s [REDACTED] and himself. He stated Dr. [REDACTED] did speak, although the completed paperwork was not accurate. When asked as to why he did this, he stated that he "just puts down anybody, because he is not good with computers". [REDACTED] claimed that his AHM records were different than the security records, and that he could provide his own records to verify who was actually in attendance and the sign in sheet. To date, Investigators have not received paperwork from [REDACTED] to back up this program. **Note: The complainant in this case stated that [REDACTED] was seen in physician's offices with blank sign in sheets on numerous occasions.**

4/9/08

Sales Representative [REDACTED] has been a Novartis employee since February 2005. She currently details Exelon, Tekturna and Exforge. Her current manager is [REDACTED]. According to [REDACTED], she has been in the Princeton territory which overlaps into the Toms River territory.

[REDACTED] was interviewed about the speaker program she attended on January 24, 2008, at the Pino's Restaurant with Dr. [REDACTED]. She indicated that in December 2007, sales associate [REDACTED] approached her regarding an Exelon program due to [REDACTED] having extra money in the Exelon budget. [REDACTED] initially set up the program with Dr. [REDACTED] through AHM, and told Dr. [REDACTED] to bring anyone else to the program that he felt may benefit from it. Shortly thereafter, [REDACTED] was approached by [REDACTED] about co-hosting the program, because of [REDACTED] relationship with [REDACTED]. [REDACTED] also requested that another physician attend, Dr. [REDACTED], and to make the program a dual speaker program. Due to [REDACTED] relationship with [REDACTED], [REDACTED] took ownership of the program in AHM, including the invitee list. [REDACTED] was asked about the day of the program on the 24th. She indicated that [REDACTED], [REDACTED], Dr. [REDACTED] attended, but she did not know the others attendees. She said that Dr. [REDACTED] spoke about the product but did admit that a presentation did not occur. She further admitted that the music was loud in the restaurant, and at one point asked the waited to lower it, but after a short time the music was again raised.

█████ was then asked if she felt that █████ took advantage of her, and she replied yes. █████ admitted that she should have come forward to her manager regarding the issues with the program. Lastly, █████ admitted that she invited █████, even though it was against Novartis guidelines of one rep for every three HCP's.

█████ 4/10/08

Immediately upon entering the room, █████ announced, "I don't want to be here, just read Café Pharma". He was then advised of the nature of the investigation and replied, "I'm a family guy and I watch American Idol". It was evident that █████ had come into the interview with a pre conceived disposition, as he was advised that we did not know what he had heard outside the company, but that we were looking for his cooperation in our investigation. He appeared annoyed by his having to answer our questions.

█████ indicated that he had been a rep for 10 years and his current manager is █████. He stated his territory was Toms River, and that he detailed Tekturna, Exforge and Diovan HCT. He indicated that his counterpart was █████. █████ was asked about his daily work routine, and stated that he sees many HCP's, does lunches and many speaker programs.

█████ was generally asked about program fraud in his territory. He denied knowing anything about fraud or other representatives doing unethical things with the physicians they call on. He stated that he calls on a few physicians who are good for business.

He was asked about a program with Dr. █████ on May 7, 2007, (1M2A-0QI) at the I Cavallini restaurant. He stated this program was done by Dr. █████ and he was paid \$1000.00 and \$250.00 as he presented a dual product presentation. He did not have any first hand knowledge of the program. He was asked if Dr. █████ wife was there and stated, "if █████ was there, I'd have her sit next to me. I'd have her sit on my lap, she's hot". When asked how Dr. █████ had gotten to the restaurant, █████ stated, █████ drove at that time or he had his driver █████ driving him. When asked how the program was conducted, █████ stated, █████ had a computer up or handouts, and that all the physicians listed on the program were at the dinner.

He was asked about a program on January 16, 2008, (N-2BBC1A-10) at the Shogun restaurant. He stated that this program was with Dr. █████ and that there were 3 HCP's, 1 speaker and himself. He stated he had permission to have three reps there, and that the reps "feed off themselves", and then qualified his statement by saying "he's tired of hanging out with these guys", meaning the same Philippine doctors, they don't even speak English. ", He began to mock

how they sounded, and even referred to them sounding like “the cookie monster”. When asked about the receipt discrepancy of 10 people and, the AHM record of 8 people, he stated, “that the restaurant always by default always puts 10 on the receipt, no matter how many people show up. “

He was asked about the program of January 24, 2008, (N-4AAK2E-2) at Shogun Legends restaurant. He stated the speaker was Dr. [REDACTED] and that he had a problem with the AHM program when it was closed out. He stated he did not remember who attended this program, but that the receipt again said 10 people. There were no attendees for the program and [REDACTED] indicated that he would send the information to us. **Note: Security has not received any further information from [REDACTED] regarding this program.**

He was then asked about the program of March 13, 2008, (N-2BBC1A-10) at the Shipwreck Grille. He stated this was a BP program that was scheduled through AHM and that on the night of the program, he had another commitment, so his counterparts attended for him. He stated this was attended by 1 speaker, Dr. [REDACTED] 2 reps and 2 physicians. [REDACTED] stated that Dr's [REDACTED] and [REDACTED] both work in the same office as Dr. [REDACTED] who was the speaker that night. [REDACTED] indicated that reps [REDACTED] and [REDACTED] attended in his place. **Note: Representative [REDACTED] in a later interview indicated that this was just general conversation, and not a speaker program.**

[REDACTED] was asked about the program on March 17, 2008, (N-2BBC1A-8) with Dr. [REDACTED] listed as the speaker. [REDACTED] indicated that this program was attended by Dr. [REDACTED], a friend of [REDACTED] and Dr. [REDACTED] who brought along Dr's [REDACTED] and Dr. [REDACTED] who are non targets of Novartis. When asked if he thought this was a successful speaker program, [REDACTED] replied, “yes, even though they are not targets, they write scripts.” **Note: Due to the fact that the detail receipt was not included in the on-line AHM program, the receipt was obtained through AHM from Basil T 's restaurant. The restaurant was contacted and confirmed that six (6) dinners were served on this date.**

[REDACTED] was asked if he had any knowledge of unethical practices in his territory by other representatives or physicians. He denied any. He stated that his programs are legitimate, and that he would not want to jeopardize his career. He was also asked about Dr. [REDACTED] relationship with other Novartis representatives, and stated “why call on [REDACTED] when my other counterparts are using him all the time?” “I receive the benefits from them and don't need to call on [REDACTED] myself”.

4/10/08

██████████ is an executive sales consultant with Novartis ██████████. ██████████ is the N3 representative in the Toms River territory, detailing Exforge, Diovan and Tekturna. His 2007 ranking is #1 of 64 and he is a President's Club and International Club award winner.

██████████ was asked about a June 25, 2007, program with Dr. ██████████ and Dr. ██████████ at the I Cavallini restaurant. He stated both physicians received a \$1000 honorarium, but that the program was "more bullshit than a speaker program, as it was more informal, and not conducive to an educational program," and Dr. ██████████ was there because of his influence. ██████████ stated that Dr. ██████████ was a "pharmaceutical whore". Furthermore, ██████████ stated that since he was relatively new to the territory in 2006, he saw there was a longstanding and deep relationship with Dr. ██████████ and the other representatives in the Toms River territory. ██████████ indicated that he "obviously has received the ██████████ of these relationships."

██████████ was asked about a February 25, 2008, program with Dr. ██████████ at Basil T's. He indicated that the dinner was attended by 9 attendees even though the receipt showed 12 dinners. ██████████ admitted that Dr. ██████████ ordered grilled fish to go for himself and other physicians. Lastly, DeSario stated that Dr. ██████████ and ██████████ work out of Dr. ██████████ office.

██████████ was asked about a March 31, 2008, program again with Dr. ██████████ at Basil T's. This program was the identical program as the February 25, 2008, program with the same attendees. ██████████ stated it's done to promote the same products. This program was not closed out at the time of the interview.

██████████ was asked about the March 13, 2008, program at the Shipwreck Grille which he attended for ██████████. ██████████ stated this was attended by ██████████, Dr's ██████████ and ██████████. ██████████ stated that all of the doctors did attend, but that "this was more of a bull shit program". He further stated that Dr. ██████████ spoke to his office counterparts, Dr's ██████████ and ██████████.

Lastly ██████████ was asked about a March 18, 2008, program with Dr. ██████████ at Basil T's. ██████████ admitted that even though there were 5 attendees listed on program details, the program only had himself, Dr's ██████████ his brother Dr. ██████████, ██████████ and ██████████ present. Dr. ██████████ received a \$1000 honorarium for this program. No detail receipt was found in AHM.

██████████ 4/10/08

██████████ is a Senior Sales Consultant working for Novartis ██████████. She currently is a Resp-Derm sales consultant who was ranked in the mid 20's out of 64 in her territory which includes Central Jersey from Princeton to Toms River.

██████████ was then asked about the January 24, 2008, (N-2BHB2C-2) speaker dinner with Dr. ██████████. ██████████ indicated that she was new to the area and was asked by Rep. ██████████ to attend the dinner. ██████████ stated she had only met Dr. ██████████ one time prior to this. ██████████ stated Dr. ██████████ spoke on Exelon Patch with handouts, stood up, spoke for about five minutes, as another doctor spoke on Reclast. ██████████ did not know the other physicians there, but stated Dr. ██████████ wife was there whom he sat next too. She admitted this was a "weak program" that was not within Novartis guidelines.

██████████ was asked about the March 31, 2008, (N-PARBH1-10) program with Dr. ██████████. ██████████ stated that she opened the program, but that ██████████ took the lead as she was more familiar with Dr. ██████████. ██████████ further stated that ██████████ partners Dr's ██████████ and ██████████ signed in and left in about five minutes into the program; she did not remember if they ate. ██████████ wife was also present, and ██████████ indicated that ██████████ told her that Novartis takes care of ██████████ wife. ██████████ stated that she went along with what ██████████ told her and that she didn't document his wife because she's the driver. Receipts for this program show six attendees, with Dr. ██████████ attending, although ██████████ was not present. Lastly she indicated that Dr. ██████████ took food home from this dinner. ██████████ stated that she felt that ██████████ took complete advantage of her, but said that she was responsible for the closeout of the paperwork.

██████████ was asked if she knew any more information about Dr. ██████████ or other physicians that were not following the Novartis policies and procedures. She indicated that ██████████ is a big writer for the company, the company knows what is done, and that she doesn't use Dr. ██████████ because he is too high maintenance.

██████████ had an upcoming program scheduled with Dr. ██████████ for Saturday, April 12, 2008, and asked if she should go ahead with a program. She was advised that after consulting with ethics and compliance, to go ahead with the program, and to report the results on the following Monday. This program was cancelled on April 11, 2008.

██████████

██████████ is the N4 representative with Novartis since August 2006. She details Diovan, Tekturna and Exforge and her sales ranking is #1 out of 64

representatives for 2007. She admitted that there was talk on Café Pharma about the Toms River territory being investigated but did not know why she was called in for an interview.

██████████ was asked about the October 25, 2006, program with Dr. ██████████ at I Cavallini. She stated that this program was attended by representatives ██████████ and herself, Dr. ██████████, Dr. ██████████ and the office manager ██████████ from Dr. ██████████ office. She stated that ██████████ wife was not there and that the program was on Diovan, and that after ██████████ spoke, she had a much clearer understanding of the product. ██████████ spoke at the table with no slides.

██████████ was then asked about a program on January 7, 2008, (N-2BCC3A-1) with Dr. ██████████ ██████████ was also in attendance. ██████████ stated that the "physicians reinforce what is spoken about in the office because if they are not prescribing, then why not talk about the results. She stated Dr. ██████████ used slides on his laptop and that some slides do change.

██████████ was asked about a program with Dr. ██████████ on February 4, 2008 (N-2BCC3A-2). She was asked why the same attendees were again present as the January 7, 2008 program. ██████████ stated the invites were done by her and Dr. ██████████. The attendees were many of the same physicians that have attended other Dr. ██████████ programs with some walk in's. The receipt showed ten guests, but there were 8 attendees according to AHM. (The receipt showing ten guests is consistent with what ██████████ indicated in his interview as to the amount of people the restaurant puts down as attending). ██████████ stated this was a successful program by Dr. ██████████. ██████████ lastly stated that even though the physicians are in Dr. ██████████ office that there is a need to remind them of the benefits of Novartis products, and that if the physicians are "not with us, then they will be with somebody else".

██████████ was then showed an AHM program list which showed an upcoming program for April 14, 2008. This program featured the same speaker as Dr. ██████████ along with the same attendees as the January 7th and February 4th programs. ██████████ was asked what the difference was in the physician's presentations when the attendees are all the same. ██████████ indicated that although the programs were the same, that the physicians benefit from ██████████ information. ██████████ was informed that Dr. ██████████ had spoken 19 separate times in 2008 with generally the same attendees in the Toms River territory. In only two of the 19 times, were other attendees listed. ██████████ could not provide a reasonable explanation as to why Dr. ██████████ only speaks to the same attendees.

██████████ was asked about the March 13, 2008 program (N-2BBC1A-10). This was the program she attended at the Shipwreck Grille, scheduled by ██████████ and was also attended by rep ██████████. ██████████ stated that this program was general conversation around the table talking about the product by

Dr. [REDACTED]. She admitted that Dr's [REDACTED] [REDACTED] and [REDACTED] work in the same office. [REDACTED] was asked how she felt the program went and stated she felt "the program was successful". **Note: This program was the same program in which [REDACTED] indicated that it wasn't really a "speaking" program.**

[REDACTED] denied ever being told by anyone to keep quiet about what is going on in the Toms River territory. She indicated that she did her job as honestly and professionally as possible.

4/22/08

[REDACTED] is a sales consultant in the Atlantic City territory who has worked at Novartis since July 2005. He was interviewed relative to the Alert Line call received under BPO 581-2006 which alleged he bought gift cards in 2006, and took physicians to a boxing match in September 2007.

[REDACTED] was first asked about the September 30, 2007, roundtable he had expensed on this date with Dr. [REDACTED] [REDACTED] [REDACTED] and himself. He immediately stated he had no call note for this and blamed it on an "administrative error", but remembered it "vividly". He first stated that this was a roundtable with Dr. [REDACTED] who he admitted he has a good relationship with and that he gets together quite a bit. When asked about this event he first stated that it was drinks, appetizers, and wings at the roundtable. He was asked what the purpose of the roundtable was. [REDACTED] said that the Dr. [REDACTED] called him to get together.

[REDACTED] was then asked if he attended a boxing match with the physicians that evening. At this point he stated he went to the boxing match on a "comp" from Atlantic City Police Officer [REDACTED], who he stated knew Dr. [REDACTED]. [REDACTED] stated he did not pay for the ticket(s), and once they got into the match, they sat in open seating arranged by Officer [REDACTED]. It wasn't until after the match he took the physicians out to the Ducktown Tavern for the roundtable. [REDACTED] was asked if he would classify the program as a legitimate roundtable even though it was after a boxing match, at a tavern, and on a Saturday night. [REDACTED] replied, "Novartis allows food and drinks during a roundtable." He denied paying Dr. [REDACTED] any honorarium that night and stated that Dr. [REDACTED] had called him to go out that night. He further stated that he never put two and two together that night, and candidly stated he "made a mistake".

[REDACTED] was then asked about buying any gift cards in January 2006. He immediately paused before answering for approx. 30 seconds and responded, "don't know if it was a gift card or maybe a gift certificate." He admitted to buying them, but could not remember who they were for, in what amounts, or who they went to. He stated that he did this about 2-3 times in 2006 when he was new and stopped doing it and stated, "he can honestly say I never did it again." He

stated that at that time he was on his own, has since been married, and made a mistake. [REDACTED] also admitted that he added meals onto the receipt so it was not a whole number.

[REDACTED] stated that he knew who called that Alert Line on him. He said he recalled seeing a former representative named [REDACTED] at the boxing match. [REDACTED] was terminated due to taking doctors out to strip clubs and golf outings. When asked if he knew of anyone doing anything illegal in his or another territory, he stated that he knew that [REDACTED] had set up a fictitious address for Dr. [REDACTED] in the Novartis system, so as to receive the credit on prescriptions written by [REDACTED]. He denied any other knowledge of unethical conduct.

4/23/08

[REDACTED] is the manager for both [REDACTED] and [REDACTED]. [REDACTED] has been a Novartis employee for seven years and became a district manager in March 2007. He formerly had worked in Mass Market as well as Hospital Sales division, and then went into management development prior to becoming the N2-N3 manager.

[REDACTED] was first asked about his knowledge of the investigation going on in the Toms River area, and stated that he had no prior knowledge of this case until he was notified by his reps that they had been called in. He stated that he had not seen or heard of any misconduct going on in this territory. He indicated that since his primary area is in Atlantic City, he only has the two reps that work in the Toms River area. He did indicate that after the reps were called in he got the impression that they felt better leaving the interview and that they were not the subjects of the investigation. He stated that he reached out for his regional manager [REDACTED] for advice in how to deal with the reps as they were looking for some closure on this matter to move forward. He asked [REDACTED] to contact the reps to keep them focused, and remind them how important they are.

[REDACTED] stated that he had gone to about two or three programs in all of 2007 for [REDACTED] and [REDACTED] and had not attended any this year. He stated the programs he attended were done appropriately. He stated that he had no concerns regarding [REDACTED] and [REDACTED] and denied anyone ever bringing any concern to him about them. [REDACTED] said that [REDACTED] has a very aggressive personality, and is one of the best reps he has ever seen selling product. [REDACTED] then said that [REDACTED] can be at times too aggressive in the way he comes across to doctors. [REDACTED] was asked why [REDACTED] numbers were so much higher than the rest of his counterparts in the region. [REDACTED] said that [REDACTED] just sells the "hell" out of his products, and that it's not because of what is going on in the territory. He did admit going to a POD meeting some time ago and they discussed which doctors to target, but said that upcoming speaker meetings were never discussed.

4/24/08

██████████ is the POD manager for the Toms River territory, and the direct supervisor of ██████████ and ██████████. He also supervises reps from the Atlantic City and Trenton area. His supervising regional director is ██████████. ██████████ has been with Novartis for the past six years and has been a manager for the past 1 ½ years.

██████████ was questioned about the conduct of both ██████████ and ██████████ and indicated that he never had any problems with them, as they had won numerous awards, had good relationships with the doctors and always sent in their reports, expenses, etc. on time. ██████████ stated that ██████████ was the quarterback of the POD, and he knew that ██████████ had recently resigned. He admitted to doing ride-a-logs with them about once every other month, but did not usually attend their speaker programs. When asked which ones he goes to, he stated the "larger ones". He stated that "Novartis policy is only two Novartis employees can attend the speaker programs," and that if he went, he would take away the time the reps have with the physicians, so he does not attend. He has not attended any of their speaker programs in 2008. He admitted that at POD meetings they speak about speaker programs but he did not recall seeing any calendar's for programs for the Toms River territory. When asked if he had heard of any specific physicians in his territory causing issues, he stated that most recently about 2-3 weeks ago, his rep in the Trenton area, ██████████ called him because Dr. ██████████ son showed up at her program, and didn't want to close the program out. ██████████ reported this to his RD who has referred it to field management.

██████████ stated that in the beginning of 2007, he told his team to report anything that was wrong, unethical or against the guidelines as it was not worth jeopardizing their job, families, or mortgages. He denied knowing anything that was going on in his territory that was viewed as unethical, illegal or violated policies. He stated that he had heard the recent rumors of what was being said about this investigation and feels he was "kept out of the loop by design" in reference to any unethical practices.

██████████ did mention that on April 23, 2008, he was in Dr. ██████████ office for a lunch and learn with ██████████, when Dr. ██████████ approached him and said "he and his six other doctors were not writing another script for Novartis because of the way your company treats it's reps." ██████████ stated this left him in a very uncomfortable position as he did not know himself what the status was of the case. ██████████ could not offer any more information to assist in this case.

4/29/08

██████ has been the District Manager for the Toms River territory for the past four years, and prior was a sales representative in the Sparta, New Jersey area for three years. His current Regional Director is ██████. ██████ currently supervises representatives in five areas; Cherry Hill, Princeton, New Brunswick, Atlantic City and Toms River. He is the immediate supervisor of both ██████ and ██████.

When asked how he normally supervises his representatives, he stated he conducts ride a longs and is always in contact with his representatives. He was asked if he had ever attended any of their speaker programs in 2007 and 2008, and he answered no. He stated that he learned in training that it was, "not his job to run their business and that the reps have to be able to run their own business." He stated that he had never encountered any complaints of how any of his reps were doing their jobs, and that he reviewed their travel and expense reports "with a fine tooth comb." He reiterated that he always instructed his reps to make their reports easy to read and to number the receipts in order. ██████ stated that he never heard of any reps telling him of rumors of doctors in their area or that there are specific targets to stay away from. He never encountered any problems with ██████ or ██████ NEC and AHM records.

When asked about what he knew of Dr. ██████, he stated that he was one of the most demanding doctors in the country, who was a high profile and does clinical trials for the company. ██████ said that just recently, Dr. ██████ and current CEO Ludwig Hantson and ██████ met during a recent lunch and learn with rep ██████ to discuss business relationships. ██████ stated that the brand management wanted to use Dr. ██████ as much as possible because of his national recognition and script writing for the Exelon Patch. When asked about Dr. ██████ he sated that he was a nice guy and also very demanding. He denied knowing anything unethical was going on between the representatives he supervises and Dr.'s ██████ or Dr. ██████.

██████ was then informed of the misconduct that ██████ and ██████ were engaged in such as paying doctors honorariums for not showing up to events. ██████ looked completely shocked, and said that he had no idea that they were doing this, and that ██████ said to him that he was sorry that he put ██████ in this position. ██████ said that at first he felt sorry for ██████ and ██████ but he said that that it quickly turned to anger because "they put his family and livelihood at stake." **Note: DM ██████ presented Investigators two packages of signed and dated documents for ██████ and ██████ which show for 2007 and 2008, each were given numerous documents whereby they acknowledge by their signature, the T&E policies for 2007 & 2008, and FAQ Speaker Event & Meal Policies.**

DM [REDACTED] stated that he was clear in his expectations with his representatives to be ethical and conduct their business with customers in a professional manner. He stated that from the documentation he provided, showed what he expected from his people.

[REDACTED] was candid with his responses, truthful with his answers, and at times shocked at the allegations presented to him about what his representatives were doing in the field.

4/30/08

[REDACTED] is a N5 sales representative in the Toms River territory, and has been a Novartis employee for 3 years with prior pharma experience at Pharmacia and Pfizer. [REDACTED] indicated his ranking in 2007 was #1 in the country. His territory counterpart is [REDACTED]. [REDACTED] admitted that he knew that his territory was under investigation, but stated that he conducts his business following appropriate Novartis policies and procedures. When asked about speaker programs he conducts, he stated that he usually uses Dr's [REDACTED] [REDACTED] and [REDACTED] [REDACTED] stated he heard that certain representatives had already resigned, and that certain doctors were involved, but said that "my programs are done right, and I can't account for what other people do, and my programs are legit".

[REDACTED] was asked about a program on April 9, 2008, at I Cavallini with Dr. [REDACTED] who was the scheduled speaker. He denied Dr. [REDACTED] wife was at the program, and stated it was attended by [REDACTED] Dr. [REDACTED] who drove Dr. [REDACTED] Dr. [REDACTED], Dr. [REDACTED], Dr. [REDACTED] and Dr. [REDACTED]. [REDACTED] stated that Dr. [REDACTED] conducted the program using [REDACTED] computer, and went through a slide deck for his presentation. [REDACTED] was adamant about the seven attendees being there. When asked why the AHM program listed 8, after the close out, he stated that the table is set for an approximation of how many attendees are going to the dinner by AHM when the invites are sent out. [REDACTED] was asked why there were eight guests on the receipt and ten dinners served, he stated only seven dinners were served. This receipt was shown to him which had ten dinners listed. He stated the two "rigatoni Bolognese" dinners could have been table orders the doctors must have ordered, and that he couldn't tell a doctor not to order food. When asked if anyone took any dinner's home, he stated "as far as I know, no one took any food home." **Note: The restaurant was called and confirmed the two dishes were separate dinners and not side orders. If two dinners are taken away as [REDACTED] claimed, this leaves eight dinners which corresponded to the eight guests on the receipt. [REDACTED] claimed that the eight guests labeled on the receipt due to AHM preplanning the event.**

██████ did produce an e-mail to his manager dated 4/10/08 to District Manager ██████ about the expense overage for this dinner cost. The dinner went over the meal guideline by \$22.00 per head.

██████ was asked why he cancelled two other programs with Dr. ██████ in April 2008, and he stated he was on the President's Club trip during the week of one programs, and claimed that he had a basketball league playoff game on the other night. ██████ said it had nothing to do with the findings of this investigation, or the fact that Dr. ██████ was implicated in this case.

██████ was then asked about speaker programs that he conducted throughout 2007 with Dr.'s ██████ and ██████. He claimed that he conducted their programs within the established guidelines. ██████ was asked why then would some identified physicians do legitimate programs for him, but then would change their operating procedures and not follow the established guidelines for other reps in the territory. ██████ replied that "his doctors know how he conducts his programs."

5/1/08

██████ has been a Novartis employee for 11 years, and became a manager in June of 2006. He was President's Club winner as a sales representative in 1999, 2001, 2004, and was manager of the year in 2007. His territory as a manager is the N7 sales division which covers North Jersey to Cape May. He admitted that his territory when he was a sales representative was Toms River since October 1997. He stated his previous sales counterparts were ██████ and ██████. He admitted to being a direct counterpart for ██████ for five years, and has known him for the last ten years.

██████ was first asked if he had spoken to ██████ about what had occurred in his territory. He denied talking to him about the ongoing investigation, even though it was pointed out that ██████ has since resigned and was no longer an employee. ██████ denied he was close to ██████ and only stated they were previous direct counterparts. Both were direct counterparts for five years as ██████ tutored ██████ upon his assignment to the Toms River territory. **Note: ██████ stated that ██████ and ██████ are like "brothers" and that ██████ is also close with the other male representatives in the Toms River POD. It was also learned that ██████ is on his cell phone on a daily basis with these same representatives.**

██████ was asked about the programs he had with Dr. ██████ as a representative. He stated that he was not close with Dr. ██████ but did use him as a speaker in the past. ██████ was asked if ██████ had ever attended any of the programs, to which he responded "only one", and claimed that he informed Dr. ██████ that she could not attend again. ██████ was then asked if

he ever shared a speaker program with [REDACTED]. He replied yes, but could not recall if Dr. [REDACTED] wife attended. [REDACTED] was asked if he could not recall or did not remember, to which he replied, "he could not recall". When asked about how his programs were conducted with Dr. [REDACTED] he admitted that they were, "very informal, and more conversational, with no slide decks." He went on to say that [REDACTED] "sits back" and talks, but claimed that all of his programs with [REDACTED] were legitimate. [REDACTED] was also asked if he had exerted any pressure on his reps to use Dr. [REDACTED] as a speaker, to which he denied. **Note: [REDACTED] who is a new direct report of [REDACTED] provided information that [REDACTED] noticed she was not using [REDACTED] as a speaker, and pressured her to use [REDACTED]. [REDACTED] former manager is [REDACTED], and became extremely nervous when [REDACTED] took over as her direct supervisor.**

[REDACTED] was then asked why he most recently placed a call to Executive Director of Compliance [REDACTED] about allowing Dr. [REDACTED] wife to attend programs due to his sight restrictions. He stated he received a call from rep. [REDACTED] about Dr. [REDACTED] wife attending, so he called compliance to clarify the issue. **Note: [REDACTED] refuted this claim that prompted the call to [REDACTED] because [REDACTED] told [REDACTED] that if she wanted to do programs with Dr. [REDACTED] he would call [REDACTED] for her. [REDACTED] also said that [REDACTED] and [REDACTED] are close friends that go way back from [REDACTED] early days in the territory.**

DM [REDACTED] was asked about his relationship with Dr. [REDACTED], and he stated that Dr. [REDACTED] was demanding because he would tell the representatives "what to do." [REDACTED] stated, "[REDACTED] was like the driver." Again, [REDACTED] denied any knowledge of wrongdoing with any of the physicians uncovered in this investigation. [REDACTED] was asked if he ever knew that this misconduct was ever going on, and he replied no, and denied that he was the original "ring leader" of this Toms River group. [REDACTED] was asked how representatives that have only been in the Toms River territory for two years would know the fraud being conducted, when he has been around for over ten years, and knows of nothing. [REDACTED] did not have an answer for this, and said he didn't know. **Note: [REDACTED] believed that [REDACTED] was the originator of the fraud in the Toms River area, because [REDACTED] told the source that "we've been doing business down here for a long time a certain way, and we need to know that you can be trusted".**

[REDACTED] was then asked if he or [REDACTED] had ever paid for a vacation or dinner for Dr. [REDACTED] or his family in the Pocono's in the beginning of 2005. [REDACTED] denied this claim. [REDACTED] admitted that Dr. [REDACTED] asked him a few times to "go away for the weekend", but [REDACTED] claimed he said no. **Note: This allegation came from an alert line call along with the allegation of misconduct for Representative [REDACTED] which proved to be credible.**

Investigator Note: After the interview was over, Investigators learned from ██████ that she was recently at a convention in Atlantic City when one of her targets, Dr. ██████ told her that he and “██████ used to go to strip clubs in the “good old days”. Dr. ██████ is one of the original violators alleged by ██████ in the beginning of the investigation. This information was investigated, but could not be corroborated through expense reports.

4. Conclusion

As a result of this investigation, multiple sales representatives in the Toms River territory were identified in a conspiracy to commit fraud with certain health care professionals in the territory. To date, Executive Sales Consultant ██████ and Senior Sales Consultant ██████, have both resigned from their respective positions with the company. Senior Sales Consultant ██████, and Senior Sales Consultant ██████, have both applied for Short-Term Disability (STD). It appears that this type of misconduct has been ongoing in this territory for years, but it is important to note that there were sales representatives identified in this investigation that did not partake in this type of misconduct.

Recommendations:

- District Managers must review and approve speaker programs submitted and finalized into AHM.
- District Managers should conduct random unannounced audits to ensure that all representatives are adhering to NPC guidelines and procedures.
- This investigation should be used as a case study for future compliance training of sales representatives in the field.
- AHM should not accept restaurant bills that are not itemized, and programs should be closed out within a two day timeframe.
- AHM should not accept program closeouts without the necessary documentation i.e. sign in sheets, itemized receipts, as well as the representative closeout surveys.

Addendum

- ██████████
- N-2BHB2C-2 Program with Dr. ██████/Dr. ██████
 - Both paid \$1000 honorarium.
 - Initially lied about content of program.
 - Added names of physicians to cover for spouse in attendance
 - Dr. ██████ and Dr. ██████ did not present.
 - N-2BHB2C-1 Program with Dr. ██████/Dr. ██████.
 - Both paid \$1000 honorarium.
 - Split program with rep ██████.
 - Dr. ██████ was paid but did not show up.
 - N-22BHB2C- Program with Dr. ██████ Dr. ██████.
 - Both paid \$1000 honorarium.
 - Split program with rep ██████.
 - Dr. ██████ was paid but did not show up.

- ██████████
- N-2BHB2C-1 Program with Dr. ██████/Dr. ██████
 - N-22BHB2C- Program with Dr. ██████/Dr. ██████.
 - Lied and stated Dr. ██████ was present for both programs.
 - Stated he hosted three other programs with ██████ who did not show up but was paid \$1000 each. Identified these as N-2BHB1C-6, N-2BHB1C-2, N-2BHB1C-1.

- ██████████
- N-2BAC2A-4 speaker program at I Cavallini, Dr. ██████ was the speaker, along with attendees Dr's ██████, Dr. ██████ and Dr. ██████
 - ██████ paid Dr. ██████ \$1000 for the program
 - ██████ admitted Dr. ██████ and ██████ were not there and that ██████ wife was there and added the names of Dr.'s ██████ and Dr. ██████ to cover for the actual attendees.
 - ██████ admitted to altering the receipt to cover for the dinners served.
 - ██████ admitted that I Cavallini and Villa Almalfi restaurants work with the reps to add meals on and fill orders to go.

- [REDACTED] was overheard admitting to covering up a previous program to [REDACTED] and joked "that he had to buy AHM another gift basket."
- [REDACTED] also admitted that Dr. [REDACTED] and Dr. [REDACTED] were also involved in the fraud at other programs.
- [REDACTED] also admitted that these doctors have special deals with the venues involved.

[REDACTED]

- N-2BAC2A-4 speaker program at I Cavallini, Dr. [REDACTED] was the speaker, along with attendees Dr's [REDACTED] Dr. [REDACTED] and Dr. [REDACTED]
- [REDACTED] stated he met Dr. [REDACTED] & Dr. [REDACTED] upstairs and had a drink.
- [REDACTED] was asked multiple times if he saw Dr. [REDACTED] and [REDACTED] at the program in which he replied "absolutely"
- [REDACTED] admitted to lying about the attendees present because he was covering for [REDACTED]
- He admitted that [REDACTED] wife was present and that Dr.'s [REDACTED] & [REDACTED] were not in attendance.
- He admitted [REDACTED] didn't really do a program that night.
- [REDACTED] was also asked about other discrepancies with his paperwork and admitted that due to his poor computer skills, "he just puts down anyone" and his paperwork is not accurate.

[REDACTED]

- [REDACTED] admitted to being present at the program with [REDACTED] (2-BHB2C-2)
- [REDACTED] stated that [REDACTED] asked her to host the program due to [REDACTED] having money in her budget. [REDACTED] set up program but [REDACTED] took ownership of program after it was set up in AHM. [REDACTED] stated [REDACTED] did speak, but Dr. [REDACTED] did not. She denied knowing the other people at the table.
- [REDACTED] stated she invited rep [REDACTED] to the program even though she knew it was against Novartis guidelines.
- [REDACTED] admitted that she should have reported the incident when it initially happened to her manager.

[REDACTED]

- [REDACTED] was hostile and difficult during the interview.

- He admitted he did not want to be there and stated he knew of no fraud in his territory.
- When asked about a program on May 7, 2007, (1M2A-0QI) by Dr. [REDACTED] he stated [REDACTED] was paid \$1000 for the program and \$250.00 as it was a dual product program. When asked if [REDACTED] was present he stated, "if she was, I'd have her sit next to me." I'd have her sit on my lap, she's hot". When asked about [REDACTED] driving, he indicated that he may have his driver "[REDACTED] drive him. [REDACTED] stated, "[REDACTED] had a computer up or handouts" and all the physicians listed were present.
- N-2BBC1A-1 January 16, 2008, program at Shogun restaurant attended by 3 HCP's, Dr. [REDACTED] was speaker and himself. Stated he had permission to have three reps there, himself, [REDACTED] and that they "feed off themselves".
Qualified this by saying, "I'm tired of hanging out with these guys", the Philippine doctors, "they don't speak English" and began to mock them and their language, stating, "they sound like the cookie monster".
When asked about the receipt stating 10 guests he said the restaurant always puts that number down by default.
- N-4AAK2E-2 January 24, 2008, program at Shogun Legends restaurant with Dr. [REDACTED]. He did not recall who attended this program. The receipt again stated 10 guests, but AHM recorded 3 attendees. [REDACTED] and [REDACTED]
- N-2BBC1A-10 March 13, 2008, program at the Shipwreck Grille. [REDACTED] indicated he could not attend so his counterparts [REDACTED] and [REDACTED] attended. Dr. [REDACTED] was the speaker who spoke to Dr. [REDACTED] and Dr. [REDACTED] who both work in [REDACTED] office. [REDACTED] said in his interview this was general conversation and not actually a speaker program.
- N-2BBC1A-8 March 17, 2008, program at Basil T's. [REDACTED] stated the speaker was Dr. [REDACTED], who brought along Dr's [REDACTED] and Dr. [REDACTED], who are non-targets. [REDACTED] brought along a friend, Dr. [REDACTED]. When asked if he thought this was a successful program, [REDACTED] replied, "yes, even though they are not targets, they write scripts." [REDACTED] said of [REDACTED] use by his counterparts, they use him all the time and he gets the benefits.
- Confidential source advised investigators that CS was told by Dr. [REDACTED] that [REDACTED] had given details of his interview to Dr. [REDACTED]

[REDACTED]

- June 25, 2007, program at I Cavallini. Dr. [REDACTED] & Dr. [REDACTED] received \$1000 honorarium. [REDACTED] stated "more bullshit than a speaker

program” and “it was informal not conducive to an educational program.”

- Said Dr. [REDACTED] was a “pharmaceutical whore” who had longstanding relationships with other reps in the territory.
- N-2BBC2A-4 February 25, 2008, program with Dr. [REDACTED] at Basil T’s. Dinner was attended by 9 people, 12 dinners ordered. [REDACTED] ordered grilled fish to go for himself and other physicians. Attendees Dr. [REDACTED] and [REDACTED] work in [REDACTED] office.
- N-2BBC1A-10 March 13, 2008, program at the Shipwreck Grille. [REDACTED] attended in [REDACTED] place with [REDACTED] Dr. [REDACTED] was the speaker who spoke to Dr. [REDACTED] and Dr. [REDACTED] who work in [REDACTED] office.
- N-2BBC2A-13 March 31 2008, program with Dr. [REDACTED] at Basil T’s. Same exact program as 2/25/08. [REDACTED] said it was done to promote the same products.
- N-2BBCIA-8 March 18, 2008, program with Dr. [REDACTED] at Basil T’s. [REDACTED] received a \$1000 honorarium. Dinner was attended by his brother Dr. [REDACTED], Dr. [REDACTED], Dr. [REDACTED]. [REDACTED] admitted that the program showed 5 attendees even though it was attended by less.

[REDACTED]

- Stated she attended this program with Dr. [REDACTED] on 1/24/08 as she was invited by [REDACTED] [REDACTED] brought his wife, spoke for 5 minutes with handouts. Another physician spoke on Reclast but she did not know this doctor’s name. She also did not know the other physicians at the table, and admitted it was a weak program.
- N-PARBH1-10 March 31, 2008, Dr. [REDACTED] program with [REDACTED] partners in attendance, Dr. [REDACTED] and Dr. [REDACTED]. [REDACTED] and [REDACTED] came in for five minutes, signed in, and then left. It was unknown if they ate. [REDACTED] wife was also there. [REDACTED] who was also there, told [REDACTED] that Novartis takes care of [REDACTED] wife. [REDACTED] didn’t document [REDACTED] wife because she’s the driver, put down Dr. [REDACTED] to cover even though [REDACTED] was not there. Dr. [REDACTED] also took food home.
- [REDACTED] stated that the company is aware of Dr. [REDACTED] conduct, and that he is a big writer for the company. She stated she doesn’t use Dr. [REDACTED] because he’s too high maintenance.

[REDACTED]

- N-2BBC1A-10 March 13, 2008, program with [REDACTED] for [REDACTED] at the Shipwreck Grille. [REDACTED] said that the program was a success

even though [REDACTED] contradicted her statement and said it was really general conversation around the table with Dr. [REDACTED]

- N-2BCC3A-1 January 7, 2008, program with Dr. [REDACTED] [REDACTED] also there. [REDACTED] reinforces what is done in the office and the results. [REDACTED] used slides on his laptop and some slides change.
- N-2BCC3A-2 February, 4, 2008, Dr. [REDACTED] program with many of the same attendees as the January 7th program. [REDACTED] stated that there is a need to remind doctors of the [REDACTED] of Novartis products, and "if the physicians are not with us, then they will be with somebody else."

[REDACTED]

- [REDACTED] was asked about a roundtable program on 9/30/07 with Dr.'s [REDACTED] and [REDACTED] at the Ducktown Tavern in Atlantic City. [REDACTED] admitted that the roundtable came after a boxing match in which Dr. [REDACTED] received complimentary tickets from an Atlantic City Police Officer. [REDACTED] attended as guest of Dr. [REDACTED] and bought drinks and appetizers afterward.
- [REDACTED] admitted to buying multiple gift cards and certificates in early 2006, but could not remember what they were for, or who they went to. [REDACTED] also admitted that he added meals onto the receipts to change the final bill amounts to hide the card or certificate purchases.

[REDACTED]

- Manager of [REDACTED] and [REDACTED].
- Only attended two or three speaker programs in 2007, and no programs in 2008.
- [REDACTED] said that he was unaware of the misconduct going on in the Toms River territory.

[REDACTED]

- Manager of [REDACTED] and [REDACTED].
- Attended no programs in 2007 or 2008, and stated that he learned in training that it was, "not his job to run their business and that the reps have to be able to run their own business."
- [REDACTED] said that he was unaware of the misconduct going on in the Toms River territory.
- [REDACTED] presented Investigators two packages of signed and dated documents for [REDACTED] and [REDACTED] which show for 2007 and 2008, each were given numerous documents whereby they acknowledge

by their signature, the T&E policies for 2007 & 2008, and FAQ Speaker Event & Meal Policies.

- ██████████
- Usually calls on Dr.'s ██████████ ██████████ ██████████ to present.
 - Claimed that a program on 4/9/08 Dr. ██████████ wife was not in attendance. ██████████ used ██████████ computer with a slide presentation. Dr. ██████████ drove ██████████ and that seven attendees were at dinner. Close out listed seven people but receipt revealed eight with ten dinners served. ██████████ stated two of the dinners could have been the "rigatoni bolognese" that were ordered for table by the doctors. ██████████ was again asked if ██████████ was the eighth person and replied no. ██████████ stated that he did not know who ordered the extra dinners.
 - When ██████████ realized that the costs went over the \$125 per person guideline, he emailed his manager about the overage.
 - ██████████ cancelled two other programs in April 2008 with ██████████ but claimed it was due to scheduling conflicts not because of the ongoing interviews in this investigation.

- ██████████
- Manager of ██████████
 - Originally started in the Toms River territory in 1999.
 - Spent five years as ██████████ direct counterpart.
 - Denied allegations that he and ██████████ paid for a vacation to the Pocono's from Dr. ██████████ family (allegation from Alert Line)
 - Claimed that ██████████ **only** came to 1 speaker program but told ██████████ that she could not come again. When asked if he ever shared a program with ██████████ with ██████████ as the speaker, and if ██████████ attended, ██████████ said that "he could not recall".
 - ██████████ said that his past relationship with ██████████ was purely business and that he does not talk to him that much anymore. Confidential source refuted this by saying that the two are like brothers, and that ██████████ is consistently on the phone with the guys from the pod.
 - ██████████ was asked if he has ever pressured his direct reports to use ██████████ as a speaker, and he said no. Confidential source indicated that ██████████ pressured her to use ██████████ and even said to her "I can call ██████████ to check his schedule". ██████████ told CS during the interview that he really did not know Dr. ██████████
 - ██████████ recently called ██████████ (Executive Director Ethics and Compliance) and asked if ██████████ could attend programs to be the doctor's driver. ██████████ said during interview with CS that one of his reps's asked him and that was what prompted the phone call to ██████████

- Dr. [REDACTED] recently said to the confidential source that he and [REDACTED] went to the strip clubs together while he was in Toms River. The name of the club was Delilah's Den.
- [REDACTED] was asked if he ever knew that this misconduct was ever going on, and he replied no, and denied that he was the original "ring leader" of this Toms River group. The confidential source told CS that she believed that [REDACTED] was the originator because [REDACTED] told her that "we've been doing business down here a certain way and we need to know that you can be trusted".